



County of San Bernardino

**F A S**

**STANDARD  
CONTRACT**

**FOR COUNTY USE ONLY**

<input checked="" type="checkbox"/> New	Vendor Code		<b>SC</b>	Dept.	<b>A</b>	Contract Number	
<input type="checkbox"/> Change	AEGISME047						
<input type="checkbox"/> Cancel							
County Department				Dept.	Orgn.	Contractor's License No.	
Behavioral Health				ADS	ADS		
County Department Contract Representative				Telephone		Total Contract Amount	
Armand Freitas				(909) 421-9460		\$971,882	
Contract Type							
<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:							
If not encumbered or revenue contract type, provide reason: _____							
Commodity Code		Contract Start Date	Contract End Date	Original Amount	Amendment Amount		
		July 1, 2003	June 30, 2004	\$971,882			
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount	
AAA	ADS	ADS	200	2445		\$971,882	
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount	
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount	
Project Name			Estimated Payment Total by Fiscal Year				
			FY	Amount	I/D	FY	Amount
Methadone Services			03/04	\$971,882			
Contract Type – 2(b)							

THIS CONTRACT is entered into in the State of California by and between the County of San Bernardino, hereinafter called the County, and

Name

Aegis Medical Systems, Inc.

hereinafter called Contractor

Address

P.O. Box 1980

Agoura, CA 91376

Telephone

(818) 206-0360

Federal ID No. or Social Security No.

**IT IS HEREBY AGREED AS FOLLOWS:**

(Use space below and additional bond sheets. Set forth service to be rendered, amount to be paid, manner of payment, time for performance or completion, determination of satisfactory performance and cause for termination, other terms and conditions, and attach plans, specifications, and addenda, if any.)

WITNESSETH:

WHEREAS, County desires to enter into an Agreement with Contractor whereby Contractor will provide narcotic treatment services in accordance with the requirements of Title 9, the California Code of Regulations, Chapter 4, (commencing with Section 9995), and Title 22 of the California Code of Regulations and related directives as they pertain to Medi-Cal; and

WHEREAS, Contractor is willing to furnish such services upon the terms hereinafter set

forth; and

WHEREAS, this Agreement is authorized by Section 11983.6 of the Health and Safety Code;

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions hereinafter contained, the parties hereto do mutually agree as follows:

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Addendum A-1	Appeal Processes
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## **I. DEFINITION OF TERMINOLOGY**

1. Wherever in this document, and in any attachments hereto, the terms "contract" and/or "agreement" are used to describe the conditions and covenants incumbent upon the parties hereto, these terms are interchangeable.
2. **Definition of May, Shall and Should.** Whenever in this document the words "may", "shall" and "should" are used, the following definitions shall apply: "may" is permissive; "shall" is mandatory; and "should" means desirable.
3. The term "ADS" refers to the County Department of Behavioral Health, Alcohol and Drug Services.

## **II. CONTRACT SUPERVISION**

The Director, Department of Behavioral Health, hereinafter referred to as Director, or designee, shall be the County employee authorized to represent the interests of the County in carrying out the terms and conditions of this contract. The Contractor shall provide in writing to the County the names of the persons who are authorized to represent the Contractor in this contract.

## **III. ADMINISTRATIVE PROCEDURES**

1. Contractor agrees to adhere to all applicable provisions contained in the **ADS Manual for Contract Agencies**, which is made a part hereof by this reference. A copy of said document has been provided to the Contractor. In agreeing to the terms of this contract, Contractor acknowledges full understanding of the provisions of the referenced documents and agrees to operate the Narcotic Treatment Program in accordance with the provisions of the documents and the provisions of this contract. At the option of the County, changes may be made during the contract period to the **ADS Manual for Contract Agencies**. Such changes, when made, will be binding on the Contractor .

2. Contractor shall submit a copy of the Narcotic Treatment Program Protocol, and any and all amendments, to ADS.
3. Contractor shall comply with requirements and procedures established by the State, County, and Federal Governments for quality improvement, including, but not limited to, submission of periodic reports to the County and staff assignments for quality improvement and coordination duties.
4. Contractor shall maintain no less than provisional compliance rating following required inspections by the State Department of Alcohol and Drug Programs and the Federal agencies (Drug Enforcement Administration and Food and Drug Administration).
5. Contractor agrees that no part of any federal funds provided under this contract shall be used to support lobbying activities to influence proposed or pending Federal or State legislation or appropriations.
6. Contractor agrees that no part of any federal funds provided under this contract shall be used to pay the salary of an individual at a rate in excess of \$166,700 per year.
7. Contractor shall not use any state or federal funds to provide direct, immediate or substantial support to any religious activity.
8. If Contractor is not licensed or certified by the State, Contractor shall submit organizational documents to County within 30 days of execution of this contract, or within 90 days of annual renewal or continuation of this contract, or when there has been a change in name or ownership. Organizational documents shall include Contractor's Articles of Incorporation or Partnership Agreements, business licenses, fictitious name permits, and such other information and documentation as may be requested by County.

#### **IV. FORMER COUNTY OFFICIALS**

Contractor agrees to provide or has already provided information on former County of San Bernardino administrative officials (as defined below) who are employed by or represent Contractor. The information provided includes a list of former county administrative officials who terminated county employment within the last five years and who are now officers, principals, partners associates or members of the business. The information also includes the employment with or representation of Contractor. For purposes of this provision, "county administrative official" is defined as a member of the Board of Supervisors or such officer's Staff, County Administrative Officer or member of such officer's staff, county department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit. If during the course of the administration of this agreement, the County determines that the Contractor has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the County, this contract may be immediately terminated. If this contract is terminated according to this provision, the County is entitled to pursue any available legal remedies.

#### **V. INDEPENDENT CONTRACTOR STATUS**

Contractor understands and agrees that the services performed hereunder by its officers, agents, employees or contracting persons or entities are performed in an independent capacity and not in the capacity of officers, agents or employees of County. All personnel, supplies, equipment, furniture, quarters and operating expenses of any kind required for the performance of this contract shall be provided by Contractor in providing the contracted services. County equipment, excess to the needs of the County, may be provided to the Contractor in support of performance of this contract at a cost to be determined by the County.

#### **VI. INDEMNIFICATION AND INSURANCE**

1. **Indemnification** - The Contractor agrees to indemnify, defend and hold harmless the

County and its authorized agents, officers, volunteers and employees from any and all claims, actions, losses, damages and/or liability arising from Contractor's acts, errors or omissions and for any costs or expenses incurred by the County on account of any claim therefore, except where such indemnification is prohibited by law.

2. **Insurance** - Without in any way affecting the indemnity provided and in addition thereto, the Contractor shall secure and maintain throughout the contract the following types of insurance with limits as shown:

- a. **Workers' Compensation** - A program of Workers' Compensation insurance or a State-approved Self-Insurance Program in an amount or form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits, covering all persons providing services on behalf of the Contractor and all risks to such persons under this Agreement.

If Contractor has no employees, it may certify or warrant to County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the County's Risk Manager.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance. If the County's Risk Manager determines that there is no reasonably priced coverage for volunteers, evidence of participation in a volunteer insurance program may be substituted.

- b. **Comprehensive General and Automobile Liability Insurance** - This coverage to include contractual coverage and automobile liability coverage for owned, hired and non-owned vehicles. The policy shall have combined single limits for bodily injury and property damage of not less than one million dollars (\$1,000,000).

- c. **Errors and Omissions Liability Insurance** - Combined single limits of \$1,000,000 for bodily injury and property damage and \$3,000,000 in the aggregate **or**
  - d. **Professional Liability** - Professional liability insurance with limits of at least \$1,000,000 per claim or occurrence.
3. **Additional Named Insured** - All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain additional endorsements naming the County and its employees, agents, volunteers and officers as additional named insured with respect to liabilities arising out of the performance of services hereunder.
4. **Waiver of Subrogation Rights** - Except for the Errors and Omissions Liability and Professional Liability, Contractor shall require the carriers of the above required coverages to waive all rights of subrogation against the County, its officers, volunteers, employees, agents, contractors and subcontractors.
5. **Policies Primary and Non-Contributory** - All policies required above are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.
6. **Proof of Coverage** - Contractor shall immediately furnish certificates of insurance to the County Department administering the contract evidencing the insurance coverage, including endorsements, above required prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days' written notice to the Department, and Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within sixty (60) days of the commencement of this Agreement, the Contractor shall furnish certified copies of the policies and endorsements.



7. **Insurance Review** - The above insurance requirements are subject to periodic review by the County. The County's Risk Manager is authorized, but not required, to reduce or waive any of the above insurance requirements whenever the Risk Manager determines that any of the above insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Risk Manager determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk.

Any such reduction or waiver for the entire term of the Agreement and any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

The County agrees to indemnify and hold harmless the Contractor and its authorized agents, officers, volunteers and employees from any and all liabilities for injury to persons and damage to property arising out of any negligent act or omission of the County, its officers, employees, agents or volunteers in connection with performance of this Agreement.

## **VII. CONFIDENTIALITY**

1. Contractor shall comply with all state and federal statutes and regulations regarding confidentiality, including but not limited to, the confidentiality of information requirements in 42 United States Code Section 290 dd-2; Title 42, Code of Federal Regulations Part 2; Welfare and Institutions Code Sections 5328 et seq and 14100.2; Sections 11878, 11812, and 11977 of the Health and Safety Code; and Title 22, California Code of Regulations Section 51009.
2. No list of persons receiving services under this contract shall be published, disclosed, or used for any purpose except for the direct administration of the program or other uses authorized by law that are not in conflict with requirements for confidentiality listed above.
3. Pursuant to the Health Insurance Portability And Accountability Act of 1996 (HIPAA), regulations have been promulgated governing the privacy of individually identifiable health information. Contractor is a covered entity in accordance with HIPAA regulations (45 CFR § 160.103). Accordingly, Contractor is mandated to comply with the HIPAA Privacy Rule standards, requirements, and implementation specifications codified in 45 CFR Parts 160 and 164. Contractor will disclose Protected Health Information to appropriate County of San Bernardino personnel for the purposes of treatment, payment, and health care operations in accordance with 45 CFR § 164.506.

## **VIII. NONDISCRIMINATION**

1. **General.** Contractor agrees to serve all persons without regard to race, color, sex, religion, national origin or ancestry, pursuant to Civil Rights Act of 1964, as amended, (42 USCA Section 2000 d) and Executive Order #11246, September 24, 1965, as amended, Age Discrimination Act of 1975 (42 USC 6101), Rehabilitation Act of 1973 (29 USC 794), Title 45, Code of Federal Regulations, Part 84.6; and provisions of the Fair Employment and Housing Act (Government Code Section 12900 et seq.)

2. **Handicapped.** Contractor agrees to comply with the Americans with Disabilities Act of 1990, (42 U.S.C. 12101 et. seq.) which prohibits discrimination on the basis of disability, as well as all applicable Federal and State laws and regulations, guidelines and interpretations issued pursuant thereto.
3. **Contract Compliance.** Contractor agrees to comply with the provisions of Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, Title VI of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, San Bernardino County ESBE Policy No. 11-15, and any other applicable federal, state and county laws, regulations, and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted. Information on these rules and regulations may be obtained from the Contract Compliance Manager of the County of San Bernardino at (909) 387-2139.
4. **Sexual Harassment.** Contractor agrees that clients have the right to be free from sexual harassment and sexual contact by members of the treatment, recovery, advisory, or consultant staff.
5. **Cultural and Linguistic Competency.** Cultural competence is defined as a set of congruent practice behaviors, attitudes, and policies that come together in a system, agency, or among consumer providers and professionals that enable that system, agency, or those professional and consumer providers to work effectively in cross-cultural situations.
  - a. The Contractor shall be required to assess the demographic make-up and population trends of its service area to identify the cultural and linguistic needs of the eligible beneficiary population. Such studies are critical to designing and planning for the provision of appropriate and effective substance abuse treatment services.
  - b. There is recognition by the DBH that cultural competence is a goal toward which professionals, agencies, and systems should strive. Becoming culturally

competent is a developmental process and incorporates at all levels the importance of culture, the assessment of cross-cultural relations, vigilance towards the dynamics that result from cultural differences, the expansion of cultural knowledge, and the adaptation of services to meet culturally-unique needs. The provision of medically necessary specialty substance abuse treatment in a culturally competent manner is fundamental in any effort to ensure success of high quality and cost-effective substance abuse treatment. Providing services in a manner that fails to achieve its intended result due to cultural and linguistic barriers is not cost-effective.

- c. To assist the Contractor's efforts towards cultural and linguistic competency:
  - (1) DBH shall provide technical assistance to the Contractor regarding cultural competency implementation.
  - (2) DBH shall provide demographic information to Contractor on service area for services planning.
  - (3) DBH shall provide cultural competency training for Department and Contractor personnel. Contractor staff are encouraged to attend at least one cultural competency training per year.
  - (4) DBH shall provide interpreter training for Department and Contractor personnel.
  - (5) DBH shall provide technical assistance for Contractor in translating substance abuse treatment information to Spanish.

## **IX. DRUG FREE WORKPLACE**

By signing this contract the Contractor certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug Free Workplace Act of 1990 (Gov. Code § 8350 et seq.), and the Pro-Children Act of 1994, and will provide a drug free workplace by taking the following actions:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's work place and specifying the actions that will be taken against employees for violations of the prohibitions as required by Government Code section 8355 (a).
2. Establish a drug-free awareness program as required by Government Code section 8355(b) to inform employees about all of the following:
  - a. The dangers of drug abuse in the work place;
  - b. The person's or organization's policy of maintaining a drug-free work place;
  - c. Any available drug counseling, rehabilitation, and employee assistance programs;  
and
  - d. The penalties that may be imposed upon employees for drug abuse violations.
3. Provide, as required by Government Code section 8355 (c), that every employee engaged in the performance of the contract:
  - a. Be given a copy of the Contractor's drug-free policy statement; and
  - b. As a condition of employment on the contract, agree to abide by the terms of the statement.

4. Failure to comply with these requirements may result in suspension of payments under the contract or termination of the contract or both, and the Contractor may be ineligible for future County or State contracts if the County or State determines that any of the following has occurred:
  - a. The Contractor has made false certification, or
  - b. The Contractor has violated the certification by failing to carry out the requirements as noted above.

#### **X. PERSONNEL**

1. Under the terms of this contract, the Contractor is an independent contractor, and therefore neither the staff nor employees of the Contractor are, nor shall they become, employees of the County. Contractor staff and employees shall not be entitled to any rights, privileges or benefits provided to County employees.
2. Contractor shall furnish such qualified professional personnel prescribed by Title 9 of the California Code of Regulations as are required for the types of services Contractor shall perform, which services are described in such addenda as may be attached hereto and/or in the **ADS Manual for Contract Agencies.**
3. Contractor certifies that neither it nor its principles is presently disbarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. Where the Contractor is unable to certify to any of the aforesaid, such Contractor shall attach an explanation to this contract.

## **XI. PERFORMANCE**

1. Recovery is an approach to helping the individual to live a healthy, satisfying, and hopeful life despite limitations and/or continuing effects caused by his or her substance abuse. “Rehabilitation” is a strength-based approach to skills development that focuses on maximizing an individual’s functioning. Services will support the individual in accomplishing his/her desired results. Program staffing should be multi-disciplinary and reflect the cultural, linguistic, ethnic, age, gender, sexual orientation and other social characteristics of the community which the program serves. Families, caregivers, human service agency personnel and other significant support persons should be encouraged to participate in the planning and implementation process in responding to the individual’s needs and desires, and in facilitating the individual’s choices and responsibilities. Recovery programs by design may employ credentialed personnel and/or others with expert knowledge and experience in the alcohol and other drug treatment and recovery field.
2. It is believed that all clients can recover, even if that recovery is not complete. The Recovery approach involves collaborating with the client to facilitate hope and empowerment, with the goals of counteracting internal and external “stigma”, improving self-esteem, encouraging client self-management of his/her life including making his/her own choices and decisions, re-integrating the client back into his/her community as a contributing member, and achieving a satisfying and fulfilling life.
3. In the facilities located at 2275 East Cooley Drive, Colton, CA 92324 and at 4761 Arrow Highway, Montclair, CA 91763, Contractor shall provide those services under this Agreement, which are described herein, to eligible persons. Contractor agrees to be knowledgeable in and apply all pertinent provisions of, Federal and State laws and regulations as referenced in the body of this Agreement, and the **ADS Manual for Contract Agencies**.
4. The basic service required under this Agreement is narcotic treatment, defined as the daily administration of the prescribed drugs methadone and/or levoalphacetylmethadol

(LAAM) in doses sufficient to achieve stabilization and to prevent withdrawal symptoms caused by stopping the use of other opiates.

5. It shall be the duty of the Contractor to notify the Director or designee by telephone immediately, with written report to follow within forty-eight (48) hours, of the following situations:
  - a. A request for approval of take-home dosages in excess of 100 milligrams.
  - b. A robbery of the narcotic treatment facility.
  - c. A death of a narcotic treatment client currently enrolled in the narcotic treatment program. The verbal and written reports shall contain the name of the deceased client, the date of death, the name(s) of Contractor's officer(s) or employee(s) with knowledge of the event and a summary of the circumstances surrounding the death.

## **XII. FUNDING**

1. A unit of service is described as one day of person-to-person service to the client regardless of the length of time of the contact or the number of contacts in a given day. Such contacts may include any one or a combination of the following services: examination, laboratory work, urinalysis, counseling, dispensing of methadone/LAAM and/or other service which Contractor may provide to determine the need for and appropriateness of treatment services.
2. An annual budget delineating total expenses and total revenues anticipated to be received must be furnished to ADS when requested. This information is required for State budgetary purposes.
3. The Contractor shall submit to the Fiscal Clerk, ADS, monthly in arrears, its claims for Federal Medi-Cal incurred the previous month for the narcotic treatment program and



at those times as shall be required by County. County shall supply the Contractor with the approved claims forms.

4. Reimbursement for both Drug Medi-cal and Substance Abuse and Crime Prevention Act (SACPA) services performed for the period July 1 through June 30 of each contract year shall be limited to the lower of either the uniform statewide monthly reimbursement rate, pursuant to Health and Safety Code Section 11758.42, or the Contractor's usual and customary charge to the general public for the same or similar service.
5. The maximum financial obligation of the County under this Agreement will not exceed the sum of Nine Hundred Seventy-One Thousand, Eight Hundred Eighty-Two Dollars (\$971,882), delineated as follows:
  - a. \$846,882 for Methadone
  - b. \$125,000 for SACPA services.
6. Contractor will only be paid for reimbursable services entered correctly into the San Bernardino Information Management On-line Network (SIMON) System. Services must be entered into SIMON no later than thirty (30) days from date of service.
7. If the Contractor and the County determine that the Drug/Medi-Cal allocation is inadequate, parties agree to meet to discuss the possibility of amending the Contract to reflect anticipated increased costs. Contractor may initiate this process only after December 31 but before March 31 of each contract year.

### **XIII. AUDITING AND EXCEPTIONS**

1. Contractor agrees to maintain and retain all appropriate service records for a period of at least seven (7) years and financial records for a period of at least five (5) years, or until audit findings are resolved, whichever is later.
2. Contractors which use audit firms shall require such firms to permit access by the State to the working papers of the audit firm, and copies of said papers shall be made available to the State and County as is reasonable and necessary.
3. Financial records shall be kept by Contractor so that they clearly reflect the source of funding for each type of service for which reimbursement is claimed. These documents include, but are not limited to, all ledgers, books, vouchers, time sheets, payrolls, appointment schedules, client data cards, and schedules for allocating costs.
4. Contractor agrees to furnish duly authorized representatives from County of San Bernardino, State of California, Federal Drug Enforcement Administration, and Federal Food and Drug Administration access to client records and such other records necessary to review or audit contract services and to disclose all financial transactions that pertain to the subject services to the extent permitted by Title 42, CFR, Part 2 and Title 9 of the California Code of Regulations. In any other situation wherein records are being accessed, Contractor agrees to obtain from the persons seeking access a confidentiality statement similar to that set forth in Welfare and Institutions Code 5328(e). The refusal of a Contractor to permit access to and inspection of books, records, and facilities as described in this part may result in immediate termination of this agreement by the County.
5. If results of an audit or on-site review indicate that units of service reported by the Contractor are not documented, reimbursement shall be made by the Contractor to the County, at the County's option, on the basis of the number of undocumented units times the reimbursement rate as established in accordance with Section XII, Paragraph 4, above.

6. Reimbursement to the County by the Contractor, under Subparagraphs 5 and 6 above, will be made using one of the following methods, which shall be at the election of the County:
  - a. Cash payment of total.
  - b. Cash payments on a monthly schedule of reimbursements. Failure to remit scheduled payments, at the County's option, may result in demand for immediate payment of balance due in full or immediate termination of this contract.
7. The Contractor is hereby notified that the attached Addendum A-1 provides appeal mechanisms for the Contractor and its clients in the event of a disagreement with certain actions taken relative to this Agreement.

#### **XIV. FINAL SETTLEMENT - AUDIT**

Pursuant to OMB Circular A-133, Contractors expending \$300,000 or more in Federal funds in a year through a contract with County must have a single or program-specific audit performed which shall comply with the following requirements:

1. The audit shall be performed in accordance with OMB Circular A-133 (revised June 24, 1997), Audits of States, Local Governments, and Non-Profit Organizations.
2. The audit shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, 1994 Revision, issued by the Comptroller General of the United States.
3. A copy of the audit performed in accordance with OMB Circular A-133 shall be submitted to the County within thirty (30) days of completion, but no later than nine (9) months following the end of the Contractor's fiscal year.

4. The cost of the audit made in accordance with the provisions of OMB Circular A-133 can be charged to applicable Federal awards. Where apportionment of the audit is necessary, such apportionment shall be made in accordance with generally accepted accounting principles, but shall not exceed the proportionate amount that the Federal funds represent of the Contractor's total revenue.
5. The work papers and the audit reports shall be retained for a minimum of three (3) years from the date of the audit reports, and longer if the independent auditor is notified in writing by the County to extend the retention period.
6. Audit work papers shall be made available upon request to the County, and copies shall be made as reasonable and necessary.
7. The Contractor is responsible for follow-up and corrective action of any material audit findings in the single or program-specific audit report, as directed by the County in coordination with the State.

#### **XV. SPECIAL REPORTS**

Contractor agrees to submit reports as stipulated by the Director or designee, ADS, together with monthly claims to the address listed below:

Department of Behavioral Health  
Alcohol and Drug Services  
700 East Gilbert Street  
San Bernardino, CA 92415-0920  
**ATTENTION: ADS FISCAL CLERK**

#### **XVI. DURATION AND TERMINATION**

1. The term of this Agreement shall be from July 1, 2003 through June 30, 2004, inclusive.

2. This Agreement shall be terminated in writing immediately by the Director, with no prior notice, due to non-availability of funds under any appropriate State law or if the appropriate office of the State of California does not approve it as subject for reimbursement under the appropriate act or public law.
  - a. Either the Contractor or the Director may terminate the Agreement for any reason or no reason at any time by serving sixty (60) days' written notice upon the other party. It may likewise be terminated without sixty (60) days' notice by the mutual written concurrence of both the Contractor and Director.
  - b. The Director may terminate this contract immediately upon serving written notice to the Contractor if the Contractor is found to be in substantial noncompliance, as determined by the Director, with any or all of the terms of the contract. The Director may terminate this contract in the same manner when there are indications of fraud or misuse of funds by Contractor.
3. After receipt of the Notice of Termination pursuant to Paragraph 2, 2a, or 2b above, Contractor shall:
  - a. Stop all work under this contract on the date, and to the extent specified in the Notice of Termination.
  - b. Continue to provide the same level of care as previously required under the terms of this contract until the date of termination.
  - c. Upon request, furnish the County all client information and documents deemed necessary by the County to effect an orderly transfer to another facility for services, if such transfer becomes necessary.
  - d. Assist County in effecting such transfer in a manner consistent with the best interests of the client's welfare.

- e. Transfer to County, as directed by County, any equipment which is required to be furnished to County.
  - f. Take such action as may be necessary, or as County may direct, for the protection and preservation of the equipment related to this contract which is in the Contractor's possession and in which County has, or may acquire, an interest.
4. Concerning the Notice of Termination pursuant to Paragraph 2, 2a, or 2b above, County shall continue to pay Contractor at the same rates as previously agreed until the date of termination, as determined by the Notice of Termination.

#### **XVII. FINAL CLAIM**

In the event this Agreement is terminated, the last reimbursement claim will be submitted within ninety (90) days after the Contractor discontinues operating under the terms of this Agreement. When such termination occurs, the County will conduct a final audit of Contractor within the ninety (90) day period following the termination date, and final reimbursement to Contractor by County shall not be made until audit results are known and all accounts are reconciled. No claims for reimbursement will be accepted after the ninetieth (90th) day following the date of contract termination.

#### **XVIII. ASSIGNMENT**

- 1. This contract shall not be assigned by Contractor, either in whole or in part, without the prior written consent of the Director.
- 2. This contract and all terms, conditions and covenants hereto shall inure to the benefit of, and be binding upon, the successors and assigns of the parties hereto.

#### **XIX. CONCLUSION**

1. This Agreement, consisting of twenty-four (24) pages, Schedule A, Addendum A-1 through A-3 inclusive, is the full and complete document describing services to be rendered by Contractor to County, including all covenants, conditions and benefits.
2. In Witness Whereof, Board of Supervisors of the County of San Bernardino has caused this Agreement to be subscribed by the Clerk thereof, and Contractor has caused this Agreement to be subscribed on its behalf by its duly authorized officers, the day, the month and year first above written.

----- END OF AGREEMENT -----

---

***Auditor/Controller-Recorder Use Only***

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keved Bv

COUNTY OF SAN BERNARDINO

►  
Dennis Hansberger, Chairman, Board of Supervisors

Dated: \_\_\_\_\_

SIGNED AND CERTIFIED THAT A COPY OF THIS  
DOCUMENT HAS BEEN DELIVERED TO THE  
CHAIRMAN OF THE BOARD

Clerk of the Board of Supervisors  
of the County of San Bernardino.

By \_\_\_\_\_  
Deputy

\_\_\_\_\_ Aegis Medical Systems, Inc.  
(Print or type name of corporation, company, contractor, etc.)

By ► \_\_\_\_\_  
(Authorized signature - sign in blue ink)

Name \_\_\_\_\_  
(Print or type name of person signing contract)

Title \_\_\_\_\_  
(Print or Type)

Dated: \_\_\_\_\_

Address \_\_\_\_\_ P.O. Box 1980  
\_\_\_\_\_ Agoura, CA 91376

Approved as to Legal Form

►  
County Counsel

Date \_\_\_\_\_

Reviewed by Contract Compliance

►

Date \_\_\_\_\_

Presented to BOS for Signature

►  
Department Head

Date \_\_\_\_\_

**Auditor/Controller-Recorder Use Only**

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keved Bv



## **APPEAL PROCESSES**

### **1. FINANCIAL AUDIT APPEALS**

The Department of Alcohol and Drug Programs (ADP) will contract with either the Department of General Services, Office of Administrative Hearing (OAH) or the Department of Health Services (DHS) for an administrative hearing process. Either agency's process is used only for appeals of financial disallowances of alcohol and/or drug program audits.

For either process, the following steps will be necessary to initiate an audit appeal:

- A. The Contractor shall prepare and submit a written Notice of Defense (statement of disputed issues), to ADP specifying any objections to the financial findings.
  - 1. The Notice must be mailed to ADP within sixty (60) calendar days from the receipt of the Audit Report to:  
  
Audit Appeals Coordinator  
Department of Alcohol and Drug Programs  
1700 K Street  
Sacramento, CA 95814
  - 2. The Notice must include the signature and mailing address of an individual with the authority to represent the Contractor.
- B. ADP will notify the Contractor regarding further arrangements after receipt of the Notice of Defense.

### **2. ADMINISTRATIVE APPEALS**

If the Contractor wishes to appeal ADP or Department of Health Services (DHS) dispositions concerning recoupment of specific Medi-Cal claims, the procedures included in the California Code of Regulations (CCR) Title 22, Section 51015 must be followed. This section applies to Drug Medi-Cal (D/MCO claims processing. The Contractor may also appeal disapprovals by ADP for (re)certification requests as indicated in Section IV of this exhibit.

The following process will apply to first-level grievances or complaints:

- A. The Contractor shall initiate the action by submitting the grievance or complaint in writing to ADP.
  - 1. The grievance or complaint shall be submitted in the form of a letter on the official stationery of the Contractor and signed by an authorized representative of the Contractor.

2. The document shall state that it is being submitted in accordance with CCR Title 22, Section 51015.
  3. The document shall identify the specific claim(s) involved and describe the disputed in(action) regarding the claims.
- B. The appeal shall be submitted to ADP within ninety (90) calendar days from the date the Contractor receives written notification of the decision to disallow claims.
1. Grievances or complaints shall be directed to :  
  
Deputy Director  
Program Operations Division  
Department of Alcohol and Drug Programs  
1700 K Street  
Sacramento, CA 95814
- C. ADP shall acknowledge the grievance or complaint within fifteen (15) calendar days of its receipt.
- D. ADP shall act on the appeal and inform the Contractor of ADP's decision, and the basis therefore, within fifteen (15) calendar days after ADP's notice of acknowledgement.
1. ADP shall have the option of extending the decision response time if additional information is required from the Contractor. The Contractor shall be notified if ADP extends the response time limit.

The Contractor may initiate a second-level grievance or complaint for claims processing only. The grievance or complaint shall be directed to DHS. The second-level process may be pursued only after complying with the first-level grievance or complaint process and only under the following circumstances:

- A. ADP failed to acknowledge the grievance or complaint within fifteen (15) days of its receipt.
- B. The Contractor is dissatisfied with the action taken by ADP where the conclusion is based on ADP's own evaluation of the merits of the grievance or complaint.
- C. The second-level appeal is submitted to DHS within thirty (30) calendar days from the date ADP failed to acknowledge the first-level appeal or from the date of the first-level decision by ADP.

The following process will apply to second-level grievances or complaints:

- A. The Contractor shall refer the grievance or complaint to DHS to the attention

of:

Chief  
Field Service Branch  
Department of Health Services  
714 P Street, Room 1516  
Sacramento, California 95814

The following information shall be submitted:

1. a copy of the original written grievance or complaint that was sent to ADP;
  2. a copy of ADP's report to which the grievance or complaint applies; and
  3. a copy of ADP's response, specific finding(s), and conclusion(s) regarding the grievance or complaint with the Contractor is dissatisfied.
- B. DHS shall review the written documents submitted in the grievance or complaint and send a written report of its conclusions and reasons to the Contractor and ADP within sixty (60) days of receipt of the referral. DHS may request additional information and/or hold an informal meeting with the involved parties before rendering a decision.
1. DHS shall have the option of extending the decision response time if additional information is required from the Contractor. The Contractor and ADP will be notified if DHS extends the response time limit.
3. CLIENT RIGHT TO ADMINISTRATIVE DUE PROCESS
- Each Medi-Cal beneficiary has the right to an administrative hearing regarding any action taken to deny, terminate, or reduce a beneficiary's receipt of D/MC benefits under CCR Title 22 and methadone treatment services under CCR Title 9. Procedures outlined in CCR Title 22 Sections 50951, 50953, and 51014.1; Welfare and Institutions Code Sections 10950 through 10965; and the Department of Social Services (DSS) Manual of Policy and Procedures, Chapter 22 will be followed by the Contractor, the Quality Improvement Committee (QIC), and the beneficiary of D/MC benefits.
- If an administrative hearing is requested, an explanation of the circumstances under which the D/MC service and payment shall be continued must be explained to the beneficiary. These steps must be followed in preparation for a hearing:
- A. The Contractor must inform the beneficiary in writing at least ten (10) days before the effective date of the intended action to terminate or reduce services under D/MC. The notice to the beneficiary shall include:

1. a statement of the action the Contractor intends to take;
2. the reason for the intended action;
3. citation of the specific regulation(s) supporting the intended action(s);
4. an explanation of the beneficiary's right to request an administrative hearing due to the Contractor's decision; and
5. and explanation of the procedure for the beneficiary to request a hearing. The beneficiary must submit the request to:

Administrative Adjudications Division  
Department of Social Services  
744 P Street, Room MS 19-37  
Sacramento, California 95814

- B. The Contractor must submit the details of the intended action to the QIC.
- C. Upon notification that a beneficiary has filed for an administrative hearing, the QIC shall write a position paper to the office of the Chief Referee at DSS. The position paper must summarize the facts of the case and set forth the regulatory justification for the action.
1. The QIC does not have the authority to terminate D/MC payment for the services because of client violation of CCR Title 9 requirements. If the beneficiary does not comply with program rules and requirements according to Title 9, the Contractor may terminate services and the beneficiary would have the right to a fair hearing under Title 9 procedures.

The findings and decision of the DSS hearing officer shall be submitted to the Director, DHS, for review in accordance with Title 22, Section 50953(a). As part of its review, DHS shall seek input from ADP; however, DHS retains sole authority for decision-making regarding Medi-Cal issues.

4. PROVIDER PARTICIPATION, CERTIFICATION, AND RECERTIFICATION APPEALS
- The appeals procedures regarding D/MC provider participation, certification, and re-certification are as follows:

A. First-Level Appeals

1. A provider may appeal a certification evaluator's decision by submitting a request in writing to ADP Licensing and Certification Branch, with specific reasons for the request.
2. The request for a first-level appeal will be submitted to ADP within 30 calendar days from the date the provider and/or county receives

written notification of the ADP decision to deny the provider's certification.

3. ADP will acknowledge the written request within 15 calendar days of its receipt.
4. ADP will act on the appeal and inform the provider and/or county of ADP's decision and the basis therefor within 15 calendar days after ADP's acknowledgment notification.
5. ADP will have the option of extending the decision response time if additional information is required from the provider and/or county. The provider and/or county will be notified if ADP extends the response time limit.

The request for an appeal will be submitted in the form of a letter signed by an appropriate representative of the provider and/or county.

Requests for appeal should be directed to the:

Manager, Licensing and Certification Branch  
Quality Assurance Division  
Department of Alcohol and Drug Programs  
1700 K Street  
Sacramento, California 95814

#### B. Second-Level Appeals

A provider and/or county may make a request for a second-level appeal to the ADP Quality Assurance Division Deputy Director only after complying with first-level appeal procedures and only in the following circumstances:

1. ADP has failed to acknowledge a request for a first-level appeal within 15 days of its receipt; or,
2. the provider and/or county is dissatisfied with the action taken by ADP Licensing and Certification Branch where the conclusion is based on its own evaluation of the merits of the requests.

A request for a second-level appeal will be submitted to ADP within 30 calendar days from the date ADP failed to acknowledge the first-level appeal decision.

In making a request for a second-level appeal, the provider and/or county will include a copy of the original written request sent to ADP, a copy of ADP's report of such request, and the specific finding(s) or conclusion(s) of ADP with which the provider is dissatisfied.

The Deputy Director for the ADP Quality Assurance Division will review the written documents submitted in the request, may ask for additional information, may hold an informal meeting with involved parties, and will send a written report of its conclusions and reasons to the provider and/or county within 60 days of receipt of the referral. ADP will have the option of extending the decision response time if additional information is required from the provider and/or county. The provider and/or county will be notified if ADP extends the response time limit.

All requests for second-level appeals made in accordance with this paragraph will be directed to:

Deputy Director  
Quality Assurance Division  
Department of Alcohol and Drug Programs  
1700 K Street  
Sacramento, California 95814

These appeal procedures should only be used after direct communications with the program analyst assigned to the area or inquiries submitted to ADP through normal channels have not resulted in a satisfactory resolution of the case.

---END OF ADDENDUM---

**AGREEMENT FOR SUBSTANCE ABUSE AND CRIME PREVENTION ACT**  
**(SACPA) SERVICES**

CONTRACTOR NAME: AEGIS MEDICAL SYSTEMS, INC.

Contractor shall:

Comply with all SACPA Regulations found in Title 9 California Code of Regulations (CRC), commencing with Section 9500 and including:

9530(f): With the exception of specific requirements included in (g), (h), and (i) of Section 9530, determination of allowable and allocable costs under the Act shall be made utilizing the guidelines contained in the Act and in cost principles published by the Federal Office of Management and Budget (OMB). The County shall follow OMB Circular A-87, "Cost Principles of State, Local and Indian Tribal Governments". Public and Private contractors shall follow OMB Circular A-122, "Cost Principles for Non-Profit Organizations".

9530(k) (2): The County shall monitor and document activities to ensure that funds are not used to supplant funds from any existing fund source or mechanism currently used to provide drug treatment services in the County.

9535 (e): The Contractor shall retain all records documenting use of funds for a period of five years from the end of the fiscal year or until completion of the State Department of Alcohol and Drug Program's annual audit and resolution of any resulting audit issues if the audit is not resolved within five years.

9545 (a): Counties shall annually audit any public or private contractors with whom they have agreements and who expend \$300,000 or more in funds to ensure compliance with provisions of the Act, the requirements of Chapter 2.5 of Title 9, CRC, and the County terms and conditions under which the funds were awarded. Counties may, at their discretion, conduct such audits, contract for the performance of such audits, or require the public or private contractors to obtain such audits.

9545 (b): The audit shall be conducted in accordance with generally accepted government auditing standards as described in "Government Auditing Standards (1994 Revision)", published for the United States General Accounting Office by the Comptroller General of the United States.

9545 (d): The written audit report shall establish whether the Contractor expended funds in accordance with the provisions of the Act, the requirements of Chapter 2.5 of Title 9, CRC, and the County terms and conditions under which the funds were awarded.

9545 (e): When a County audit finds that a public or private contractor has misspent funds based on the requirement of Title 9, CRC, Section 9530, the County shall demand repayment from the Contractor in the amount of such audit findings and shall deposit the recovered funds into the County's trust fund established pursuant to Title 9, CRC, Section

9517. Such recovery of funds shall be reported to the Department on the Annual Financial Status Report Substance Abuse and Crime Prevention Act of 2000" (Form 10096, New 10/01), and the specific amount recovered shall be identified in the "Comments/Remarks" line on the same report. The County shall maintain an audit trail to identify the specific audit periods for which recoveries are reported.

9545 (g): Notwithstanding subsection (a) of Section 9545, any public or private contractor who is required to obtain a single audit pursuant to OMB Circular A-133 and who receives funding under the Act, shall ensure that the single audit addresses compliance with the requirements of the Act. The County may rely on the single audit as fulfilling its responsibilities in Section 9545(a).

9545 (h): Audit work papers supporting the report shall be retained for a period of five years from the issuance of the audit report and the County shall make such work papers available to the State Department of Alcohol and Drug Programs upon request.

---END OF ADDENDUM---



**AGREEMENT ON UNION ORGANIZING**

CONTRACTOR NAME: AEGIS MEDICAL SYSTEMS, INC.

Contractor, by signing this Contract, hereby acknowledges the applicability of California Government Code Sections 16645 through Section 16649 to this Contract.

1. Contractor will not assist, promote or deter union organizing by employees performing work on a state service contract, including a public works contract.
2. No state funds received under this Contract will be used to assist, promote or deter union organizing.
3. Contractor will not, for any business conducted under this Contract, use any state property to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote or deter union organizing unless the state property is equally available to the general public for holding meetings.
4. If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from state funds has been sought for these costs, and Contractor shall provide those records to the Attorney General upon request.

---END OF ADDENDUM---